GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:6842
ANSWERED ON:09.05.2003
INSURANCE POLICY FOR SENIOR CITIZENS
T.M. SELVAGANAPATHI;V. VETRISELVAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have agreed to provide budgetary support to the public insurer for `Varistha Pension Bima Yojana`;

(b) if so, the details thereof;

(c) whether the Private insurer has requested the Government to provide the same support for the same scheme; and

(d) if so, the reaction of the Govt. thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) The Government has announced, in the Budget 2003-2004, a new pension scheme viz.,the Varishtha Pension Bima Yojana for citizens above 55 years of age. This scheme would be implemented through the Life Insurance Corporation of India (LIC). The benefits under the scheme will be calculated at the rate of interest of 9% per annum. The difference between the actual yield earned by LIC, on the funds invested under the scheme and the pension benefit,will be reimbursed to the LIC, annually, by the Government. For the current year a provision of Rs. 30 crores has been made.

(c) and (d) Government has received requests from private life insurers to participate in the scheme. The requests are under consideration of the Government.